

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MOTION OF HENDERSON COUNTY WATER)	
DISTRICT FOR AN ORDER MODIFYING THE)	CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE)	2015-00217
AND NECESSITY GRANTED IN CASE NO.)	
2014-00402)	

ORDER

On February 3, 2015, the Commission entered an Order in Case No. 2014-00402 that granted Henderson County Water District (“Henderson”) a Certificate of Convenience and Public Necessity (“CPCN”) to proceed with Henderson’s proposed purchase and replacement of the radio-read meter system.¹ Henderson, through the same Order, was authorized to enter into a ten-year agreement with Old National Bank of Henderson, Kentucky, for financing the project.²

In support of its application filed on December 10, 2014,³ in Case No. 2014-00402, Henderson proposed to purchase and install 1,900 5/8- x 3/4-inch T-10 E-

¹ Case No. 2014-00402, *Application of Henderson County Water District for Certificate of Public Convenience and Necessity and Approval of Financing* (Ky. PSC Feb. 3, 2015), Final Order at 3.

² *Id.*

³ Henderson tendered for filing its application on November 20, 2014, but it was found to have deficiencies. The deficiencies were cured and the application was accepted for filing on December 10, 2014.

Coder/R900i (“R900i”) Neptune residential radio-read meters.⁴ The vendor and winning bidder agreed to provide all 1,900 meters at the bid price of \$175.20 per meter.⁵

On June 17, 2015, Henderson filed a Motion to Modify Order of February 3, 2015.⁶ Henderson, in seeking a modification, stated that, subsequent to the Commission’s February 3, 2015 Order, Henderson was informed by its supplier that the previously-approved R-900i meter was being discontinued and replaced with a new model.⁷ Henderson stated that the new model, the 5/8- x 3/4-inch T10 Enhanced V4 E-Coder/R900i (“Enhanced-R900i”) Neptune residential radio-read meter, costs approximately \$5.26 per meter more than the discontinued model, and will increase the price of each meter from \$175.20 to \$180.46.⁸ The total cost of the project will increase by \$9,994.⁹ Henderson stated that it does not seek any modification of the portion of the Commission’s February 3, 2015 Order that approved the financing for the project.¹⁰

On July 8, 2015, Henderson provided the Commission with a specification sheet for the Enhanced-R900i and a letter from the meter manufacturer to Henderson

⁴ *Id.*, Application at 2; Henderson’s Response to Commission Staff’s First Request for Information, Exhibit 2; and Supplemental Testimony of Peter Conrad (filed Jan. 23, 2015) (“Conrad Supplemental Testimony”), at 1.

⁵ *Id.*, Conrad Supplemental Testimony at 1.

⁶ Motion to Modify Order of February 3, 2015, filed on June 17, 2015, in the Post Case Referenced Correspondence file of Case No. 2014-00402 (“Motion to Modify Order”).

⁷ Testimony of Peter Conrad at 2, filed on June 17, 2015, in the Post Case Referenced Correspondence file of Case No. 2014-00402.

⁸ Motion to Modify Order at 1.

⁹ *Id.*

¹⁰ June 22, 2015 Letter from J. Christopher Hopgood, counsel for Henderson, to Jeff Derouen, Executive Director, Public Service Commission, filed on June 25, 2015, in the Post Case Referenced Correspondence file of Case No. 2014-00402.

explaining the differences between the R-900i meter that was discontinued and the upgraded Enhanced-R900i meter.¹¹

Having reviewed the Motion to Modify Order and being otherwise sufficiently advised, the Commission finds that:

1. The instant case should be opened for the purposes discussed in this Order.

2. The record from Case No. 2014-00402, including the Post Case Referenced Correspondence file for the case, should be incorporated by reference into the record of the instant case.

3. On February 3, 2015, Henderson was granted a CPCN to proceed with the proposed purchase and replacement of the radio-read meter system as set forth in its application in Case No. 2014-00402.¹²

4. On February 3, 2015, Henderson was authorized to enter into a ten-year agreement with Old National Bank of Henderson, Kentucky, to borrow an amount not to exceed \$350,000 at an interest rate not exceeding 3.25 percent per annum.¹³

5. Subsequent to the Commission's February 3, 2015 Order in Case No. 2014-00402, Henderson was informed that the R900i meter was being discontinued and replaced with the Enhanced-R900i meter.¹⁴

¹¹ Henderson's Response to Informal Request for Information, filed on July 8, 2015, in the Post Case Referenced Correspondence file of Case No. 2014-00402.

¹² Case No. 2014-00402, *Henderson County Water District* (Ky. PSC Feb. 3, 2015), Final Order at 3.

¹³ *Id.*

¹⁴ Testimony of Peter Conrad at 2, filed on June 17, 2015, in the Post Case Referenced Correspondence file of Case No. 2014-00402.

6. Henderson now proposes to purchase and install 1,900 Enhanced-R900i meters.¹⁵

7. The increase in the cost per meter is \$5.26, which results in an increase from \$175.20 to \$180.46 per meter.¹⁶

8. The total cost of the project will increase by \$9,994.¹⁷

9. Henderson does not seek any modification of the portions of the Commission's February 3, 2015 Order in Case No. 2014-00402 concerning the approval of financing for the project.¹⁸

10. The proposed purchase and installation of the metering system, as requested in Henderson's Motion to Modify Order, will not result in the wasteful duplication of existing facilities.

11. The proposed purchase and installation of the metering system, as requested in Henderson's Motion to Modify Order, does not conflict with any existing certificates or the service of any other utility operating in the area.

12. The public convenience and necessity require the proposed purchase and replacement of the radio-read metering system.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ Motion to Modify Order at 1.

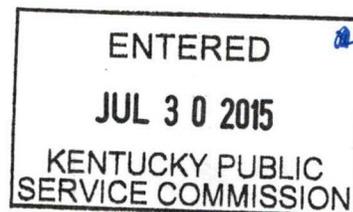
¹⁸ June 22, 2015 Letter from J. Christopher Hopgood, counsel for Henderson, to Jeff Derouen, Executive Director, Public Service Commission, filed on June 25, 2015, in the Post Case Referenced Correspondence file of Case No. 2014-00402.

13. Approval from the Kentucky Division of Water of the Environmental and Public Protection Cabinet, Department for Environmental Protection, is not required for this type of construction.

IT IS THEREFORE ORDERED that:

1. The instant case is opened for the purposes specified in this Order.
2. The record in Case No. 2014-00402, including the Post Case Referenced Correspondence file, is incorporated by reference into the record of the instant case.
3. Henderson's Motion to Modify Order in Case No. 2014-00402 is granted.
4. Henderson is authorized to proceed with the proposed purchase and replacement of the radio-read meter system as set forth in the Commission's February 3, 2015 Order in Case No. 2014-00402, and as modified by this Order authorizing Henderson to purchase 1,900 Enhanced-R900i meters rather than 1,900 R900i meters.
5. All other provisions of the Commission's February 3, 2015 Order not addressed herein shall remain in full force and effect.

By the Commission



ATTEST:


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